

## Message Text

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ACTION AGRE-00

INFO OCT-01 NEA-10 ISO-00 EB-08 /019 W  
-----051585 252258Z /75  
R 251228Z AUG 77  
FM AMEMBASSY DAMASCUS  
TO SECSTATE WASHDC 4573  
INFO AMEMBASSY BEIRUT POUCH

C O N F I D E N T I A L DAMASCUS 5449

STATE PASS FAS USDA

USDA PASS G&F FCA

FROM AGATT

E.O. 11652: GDS  
TAGS: EAGR, LE  
SUBJ: NEW WHEAT POLICY - LEBANON

REF: AGATT REPORT LB7001 OF 6/24/77

NEW WHEAT POLICY APPROVED BY LEBANESE GOVERNMENT 8/17/77  
REPLACING THAT OF 12/8/71. MAIN POINTS NEW POLICY:

A) CEREALS AND SUGAR BEETS OFFICE OF MINISTRY OF ECONOMY  
AND TRADE RECONFIRMED EXCLUSIVE IMPORTER (BILATERAL AGREEMENTS  
OR OTHERWISE) AND DISTRIBUTOR OF WHEAT.

B) MAXIMUM NEW PRICES FLOUR/BRAN AS FOLLOWS:  
ZERO FLOUR (WHITE) L.L. 400/MT (\$129)  
BALADI FLOUR (DARK-HIGH EXTRACTION) L.L. 340/MT (\$110)  
BRAN L.L. 250/MT (\$81)

C) AVERAGE RETURN MILLING PRODUCTS CALCULATED AT L.L. 358  
(\$115) PER MT WHEAT  
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D) MILLING COST CALCULATED AT L.L. 50/MT (\$16). MILLING  
PROFIT L.L. 5/MT AND TRANSPORTATION OF WHEAT FROM PORT  
ELEVATOR TO MILL L.L. 6/MT

E) AVERAGE PRICE OF IMPORTED WHEAT TO BE DELIVERED  
TO INDUSTRIAL MILLS AT BEIRUT PORT ELEVATOR L.L. 294/MT

(\$95)

F) ARABIC WHITE BREAD TO BE SOLD AT L.L. 0.80/KILO  
(\$0.12/LB) AND ARABIC DARK BREAD AT L.L. 0.7/KILO  
(\$0.11/LB).

G) EXPECTED LOSSES OF GOL ON BREAD SUPPORT PRICES ON  
CY77 AVAILABLE AND CONTRACTED WHEAT AS FOLLOWS:  
88,000 MT OF EUROPEAN ANDSIMILER WHEAT PURCHASED AT  
AN AVERAGE COST OF L.L. 500/MT (\$161); TOTAL COST  
L.L. 44 (\$14.2) MILLION.  
50,000 MT US TITLE I WHEAT PRUCHSE COST L.L. 304/MT  
(\$98); TOTAL COST L.L. 15.2 (\$4.9) MILLION  
TOTAL COST L.L. 104.2 MILLION  
AVERAGE COST L.L. 490/MT (\$158)  
AVERAGE SELLING PRICE L.L. 294/MT (\$95)  
NET LOSS L.L. 196/MT KDUE)  
TOTAL LOSS L.L. 196X213,000MY EQUALS L.L. 41.75 (\$13.47)  
MILLION

H) CEREALS OFFICE TO KEEP FOUR MONTHS NEEDS AS RESERVE  
STOCKS (100,000 MT).

I) SELLING PRICES OF DIFFERENT TYPES OF IMPORTED  
WHEAT TO BE FIXED SEPARATELY BEFORE 9/1.

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J) ESTIMATED LOSSES MAY BE MORE THAT ABOVE (ITEM G)  
AS STORAGE AND HANDLING COSTS APPARENTLY NOT TAKEN INTO  
CONSIDERATION BY OFFICE WHICH WILL PAY FOR THEM. ALSO  
APPARENTLY FREIGHT COST TITLE I WHEAT FORGOTTEN.

COMMENT: ALTHOUGH NEW BREAD AND WHEAT PRICES A THIRD  
ABOVE PREWAR GOVT SET PRICES THEY ARE LOWER THAN SEMI-  
OFFICIAL BREAD PRICE OF L.L. 0.90/KG AND FLOUR PRICE  
OF 0.50/KG PRACTICED SINCE EARLY 1877 AND CONSIDERABLY  
LOWER THAN PRICES PRACTICES DURING MOST OF HOSTILITIES  
OF L.L. 1.10 AND L.L. 0.70 PER KILO FOR BREAD AND FLOUR  
RESPECTIVELY. FOR SIMPLICITY, EXCHANGE RATE OF DOLLAR  
EQUALS L.L. 3.10 USED IN THIS CABLE.  
MURPHY

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NNN



## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** WHEAT, POLICIES, PRICE INDEXES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 25-Aug-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977DAMASC05449  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770308-0195  
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**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 006e7053-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION AGRE  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 27-Mar-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1490331  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NEW WHEAT POLICY - LEBANON  
**TAGS:** EAGR, LE  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/006e7053-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009